ATTACHMENT B

This material is filed on 15 days' notice under Section 204(a)(3) of the Communications Act

September I, 1998

Transmittal No. 1076

Magalie Roman Salas
Secretary
Federal Communications Commission
Washington, D.C. 20554

Attention: Common Carrier Bureau

The accompanying tariff material, issued by The Bell Atlantic Telephone Companies and bearing Tariff F.C.C. No. 1, Access Service, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. This material, filed on fifteen days' notice, is scheduled to become effective September 16, 1998 and consists of tariff pages as indicated on the following check sheets:

Tariff F.C.C. No. 1	Check Sheet Revision No.
	981st Revised Page I
	127th Revised Page **1.12**

With this filing, Bell Atlantic proposes to introduce a new offering, Infospeed **DSL** (Infospeed Digital Subscriber Line Service). Infospeed DSL Service provides connectivity and transport of a customer's data using asymmetric digital subscriber line technology.

Support information as specified in Sections 61.49 of the Commission's Rules is included with this filing.

Payment in the amount of $600.00 has been electronically transmitted to the Mellon Bank in Pittsburgh, Pennsylvania in accordance with the fee program procedures.

The original of this transmittal letter is being hand-delivered today to the Secretary. In addition, a copy of this transmittal has been electronically delivered today to the Commission via the Internet.

Acknowledgement and date of receipt of this filing are requested. A duplicate letter of transmittal is attached for this purpose.

All correspondence and inquiries in connection with this filing must be forwarded to Joe Mulieri, Director, Federal Relations, via facsimile on 202 336-7866 at 1300 I Street, N.W., Suite 400 West, Washington, D.C. 20005.

Joseph J. Mulieri (JL)

Attachments to the Original:
F.C.C. Form 159

ACCESS SERVICE CHECK SHEET

Title Pages 1 and 2 and Pages 1 to 982 inclusive of this tariff are effective as of the date shown. Original and revised pages as named below and Supplement Nos. 191, 198, 208, 210, 211, (D) and (D) contain **all** changes from the original tariff that are in effect on the date hereof.

Page	Number of Revision Except a5 Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
Title 1	3rd	16	6th	43.1	Original
Title 2	2nd	17	7th	44	5th
1	981st*	18	13th	45	3rd
1.1	212th	18.1	Original	46	Original
1.2	151st	19	13th	47	3rd
1.2.1	43rd	20	19th	47.1	2nd
1.3	241st	20.1	6th	47.2	2nd
1.4	143rd	20.2	5th	48	2nd
1.4.1	24fh	20.3	8th	49	15t
1.5	138th	20.4	1st	50	1st
1.6	101st	21	2nd	51	11th
1.7	49th	22	Original	51.1	15t
1.8	165th	23	1st	52	6th
1.9	81st	24	8th	53	16th
1.10	61st	25	Original	53.1	6th
1.11	26th	26	Original	53.2	3rd
1.12	127th'	27	2nd	53.3	15t
1.13	61st	28	2nd	54	4th
2	1st	28.1	Original	55	Original
3	5th	29	2nd	56	3rd
4	10th	30	Original	56.1	7th
5	12th	31	Original	57	16th
6	10th	32	Original	57.1	6th
6.1	7th	33	Original	58	14th
6.2	3rd	34	Original	59	9th
7	12th	35	10th	60	12th
8	12th	35.1	2nd	61	7th
9	13th	36	4th	62	7th
10	20th	37	8th	62.1	5th
11	24th	38	1st	63	8th
12	4th	39	13th	64	Origina1
13	3rd	39.1	11th	65	5th
14	9th	40	4th	66	2nd
15	3rd	41	9th	67	8th
15.1	7th	41.1	2nd	67.1	2nd
15.2	6th'	42	6th	68	2nd
15.3	1st	43	2nd	69	6th

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*New or Revised Pages

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Vice President
2980 Fairview Park Drive, Falls Church. Virginia 22042

ACCESS SERVICE CHECK SHEET (Cont'd)

Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
889	5th	903.16	Original	918.7.1	3rd
889.1	Original	903.17	1st	918.8	11th
890	5th	903.18	Original	918.8.1	2nd
890.1	2nd	903.19	Original	918.9	8th
890.2	3rd	903.20	1st	918.9.1	3rd
890.3	2nd	903.21	Origina1	918.9.2	Original
890.4	26th	903.22	2nd	918.9.3	Original
890.5	4th	903.23	Original	918.9.4	1st
890.6	4th	903.24	1st	918.10	15th
890.7	2nd	903.25	1st	918.10.1	3rd
890.8	2nd	903.26	1st	918.10.2	1st
890.9	3rd	903.27	Original	918.11	3rd
890.10	2nd	903.28	2nd	918.12	3rd
890.11	3rd	903.29	1st	918.13	3rd
890.12	8th	904	2nd	918.14	3rd
890.13	5th	904.1	2nd	918.15	3rd
890.14	1st	904.2	1st	918.16	4th
890.15	1st	905	6th	918.17	3rd
890.16	3rd	906	5th	918.18	2nd
890.17	3rd	907	3rd	918.19	2nd
890.18	3rd	908	7th	938.20	Original
890.19	3rd	908.1	6th	918.21	Original
890.20	3rd	909	8th	918.22	Original
890.21	3rd	909.1	2nd	918.23	Original
890.22	3rd	910	3rd	918.24	Original
890.23	4th	911	5th	918.25	Original
891	1st	911.1	4th	918.26	Original
892	1st	911.2	2nd	918.27	Original
893	1st	911.3	3rd	918.28	Original
894	2nd	912	8th	918.29	Original
895	1st	912.3	3rd	918.30	Original
896	Original	913	6th	918.31	Original
897	Origina1	914	6th	918.32	Original
898	1st	915	7th	918.33	Original
899	Original	916	12th	918.34	15t
900	1st	916.1	11th	918.35	1st
901	Original	916.2	10th	918.36	Original
902	2nd	916.3	7th	918.37	15t
902.1	Original	916.4	3rd	918.38	Original*
903	1st	917	7th	918.39	Original+
903.1	1st	917.1	11th	918.40	Original*
903.2	3rd	917.2	8th	918.41	Original+
903.3	3rd	917.3	2nd	918.42	Original'
903.4	Original	918	9th	918.43	Original+
903.5	Original	918.1	11th	919	2nd
903.6	1st	918.2	9th	920	Original
903.7	1st	918.3	14th	921	Original
903.8	Original	918.3.1	2nd	922	18th
903.9	Original	918.4	12th	923	16th
903.10	Original	918.5	10th	943	10th
903.11	Original	918.5.1	2nd	944	14th
903.12	2nd	918.5.2	1st	945	7th
903.13	2nd	918.6	19th	946	9th
903.14	Original	918.6.1	6th	946.1	3rd
903.15	Original	918.7	10th	947	12th

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ACCESS SERVICE

TABLE OF CONTENTS (Cont'd)

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ACCESS SERVICE

16. Packet Data Services (Cont'd)

16.8 Infospeed DSL Service (N)

(A) General

Infospeed ***DSL*** Service is a high speed data access service that uses asymmetric digital subscriber line technology.

(B) Definitions

1. **Asymmetric Digital Subscriber Line (ADSL):** an access technology that enables data to be sent over copper facilities.

2. **Downstream:** the transmission path from the Company's Infospeed DSL Connection Point to the customer's designated premises.

3. **Infospeed DSL Connection Point:** a location designated by the Company that serves **as** an aggregation point for the collection of Infospeed DSL traffic from multiple serving wire centers.

4. **Splitter:** a passive band filter that divides the frequency of a copper facility.

5. **Upstream:** the transmission path from the customer's designated Premises to the Infospeed ***DSL*** Connection Point,

(C) Service Description

1. Infospeed DSL is an access service that uses ADSL. **A** splitter is installed at the customer's designated premises. Data traffic generated by a customer-provided modem is transported to the Infospeed DSL Connection Point. From there, the traffic is transported to the customer's information service provider via the Company's Asynchronous Transfer Mode Cell Relay Service (ATM), as specified in subsection *(D)3*, below.

2. Three (3) types of Infospeed ***DSL*** Service are available based on the upstream and downstream speed combinations chosen by the customer:

   (a) Infospeed 640K: provides maximum speeds of **640** kilobits per second (kbps) downstream and 90 kbps upstream.

   (b) Infospeed 1.6M: provides maximum speeds of 1.6 megabits per second (Mbps) downstream and ***90*** kbps upstream.

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ACCESS SERVICE

16. Packet Data Services (Cont'd)

16.8 Infospeed DSL Service (Cont'd) (N)

(C) Service Description (Cont'd)

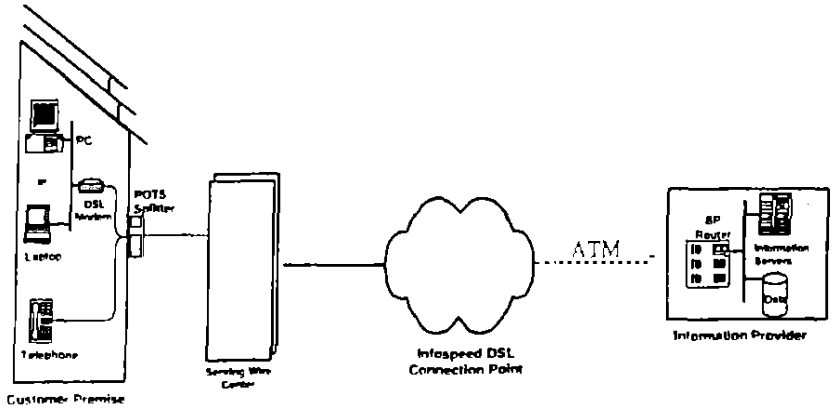
2. (Cont'd)

(c) Infospeed 7.1M: provides maximum speeds of 7.1 Mbps downstream and 680 kbps upstream.

3. The data speeds listed above are maximum speeds. Actual speeds may be lower due to the impact of loop distance, modem technology and other factors. Therefore, these data speeds are not guaranteed.

4. The following diagram depicts a generic view of the components of Infospeed DSL Service and the manner in which the components are combined to provide a complete Infospeed DSL Service connection.

Infospeed DSL



(N)

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ACCESS SERVICE

16. Packet Data Services (Cont'd)

16.8 Infospeed DSL Service (Cont'd)

(D) Terms and Conditions

1. The Company will provision and maintain Infospeed DSL Service from the Infospeed DSL Connection Point to the network interface device (NIDI at the customer's designated premises. The customer is responsible for obtaining a compatible splitter and modem.

2. The customer will provide the Company with the necessary information (e.g., customer name and address, circuit address, serving area, etc.) to provision Infospeed DSL Service.

3. Access from the Infospeed DSL Connection Point will be provided via the Company's ATM service. The rates and charges for ATM service are in addition to rates and charges for Infospeed DSL Service.

4. Infospeed DSL Service will be provisioned over existing Company copper facilities.

5. The Company will qualify copper facilities to determine the suitability of such facilities for Infospeed DSL Service. The Company will not provide Infospeed DSL Service on copper facilities that are unsuitable for the Service. Nor will the Company provide Infospeed DSL Service if it determines that such provision will produce interference to other services.

6. Infospeed DSL Service will be provided subject to the availability and limitations of Company wire centers and outside plant facilities. A list of wire centers capable of providing Infospeed DSL Service is set forth in Section 16.8(E), following.

7. The Company reserves the right to interrupt temporarily Infospeed DSL Service for wire center maintenance, software updates, and in emergency situations.

8. The customer will obtain the appropriate authorization to allow the Company's employees or agents to enter the customer's designated premises at any reasonable hour for the purpose of installing, inspecting, or repairing Infospeed DSL Service, or, upon termination of Infospeed DSL Service, removing the Company's equipment.

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ACCESS SERVICE

16. Packet Data Services (Cont'd)

16.8 Infospeed DSL Service (Cont'd) (N)

(E) Service Deployment

The Infospeed DSL deployment schedule is shown below:

State	wire Center	Targeted Service Date
DC	Georgia	November **1998**
DC	Woodley	November **1998**
DC	Dupont	January **1999**
DC	Georgetown	January **1999**
MD	Bethesda	November **1998**
MD	Silver Spring	November **1998**
MD	Wood Acres	November **1998**
MD	Montrose	December **1998**
MD	Northwood	December **1998**
MD	Wheaton	December **1998**
MD	Wildwood	December **1998**
MD	Beltsville	January **1999**
MD	Colesville	January **1999**
MD	Riggs Road	January **1999**
MD	Central Avenue	February **1999**
MD	Hyattsville	February **1999**
MD	Landover	February **1999**
MD	Suitland	February **1999**
NJ	Journal Square	November **1998**
NJ	Cliffside Park	December **1998**
NJ	Englewood	December **1998**
NJ	Leonia	December **1998**
NJ	Bergen	January **1999**
NJ	Elioabeth	January **1999**
NJ	Market	January **1999**
NJ	North Bergen	January **1999**
NJ	Union City	January **1999**
NJ	Hackensack	February **1999**
NJ	Oradell	February **1999**
NJ	Rutherford	February **1999**
PA	Squirrel Hill	September **1998**
PA	Glenshaw	September **1998**
PA	Oakland	September **1998**
PA	Bala Cynwyd	October **1998**
PA	Beaver Falls	October 1998
PA	Bethel Park	October **1998**
PA	Carnegie	October **1998**
PA	Connellsville	October **1998**
PA	Greensburg	October **1998**
PA	Ardrnore	November **1998**
PA	Bryn Mawr	November **1998**
PA	Jenkintown	November **1998**

Note: The lnfospeed DSL targeted service **dates** are subject to technical considerations and equipment availability.

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ACCESS SERVICE

16. Packet Data Services (Cont'd)

16.8 Infospeed DSL Service (Cont'd)

(E) Service Deployment (Cont'd)

State	Wire Center	Targeted Service Date
PA	Willow Grove	November **1998**
PA	New Kensington	November **1998**
PA	New Castle	November **1998**
PA	Washington	November **1998**
PA	Uniontown	November **1998**
PA	Bethayres	December **1998**
PA	Phoenixville	December **1998**
PA	Royersford	December **1998**
PA	Waverly	December **1998**
PA	Chestnut Hill	January **1999**
PA	Coatesville	January **1999**
PA	Collegeville	January **1999**
PA	Downingtown	January **1999**
PA	Perkasie	January **1999**
PA	Soudertown	January **1999**
VA	Braddock	September **1998**
VA	Fairfax	September 1998
VA	Falls Church	September **1998**
VA	Lewinsville	September **1998**
VA	Springfield	September **1998**
VA	Arlington	November **1998**
VA	Columbia Pike	November **1998**
VA	Barcroft	November **3998**
VA	Alexandria	December **1998**
VA	Annandale	December **1998**
VA	Cameron	December **1998**
VA	Merrifield	December **1998**
VA	Burgundy Road	January **1999**
VA	Franconia	January **1999**
VA	Vienna	January **1999**

Note: The Infospeed DSL targeted service dates are subject to technical considerations and equipment availability.

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ACCESS SERVICE

16. Packet Data Services (Cont'd)

16.8 Infospeed DSL Service (Cont'd) (N)

(F) Rate Regulations

1. A recurring monthly rate is charged for each service.

2. A nonrecurring rate applies for the installation of each service. The same rate applies for a change in service configuration (i.e., a change in data speeds).

3. If a customer cancels Infospeed DSL Service to a designated premises within thirty (30) days of installation, the customer will not be charged the foregoing recurring and nonrecurring charges.

(G) Rates and Charges

	USOC	Monthly Rate	Nonrecurring Charge	
Infospeed DSL 640K	ADAA1	$ 39.95	$ 99.00	
Infospeed DSL 1.6M	ADAB2	59.95	99.00	
Infospeed DSL 7.1M	ADAC3	109.95	*99.00*	(N)

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THE BELL ATLANTIC TELEPHONE COMPANIES

TARIFF F.C.C. NO. 1

Infospeed Digital Subscriber Line Service

DESCRIPTION AND JUSTIFICATION

Transmittal No. 1076

SEPTEMBER 1,1998

SECTION 1

DESCRIPTION AND JUSTIFICATION

A. Introduction

Bell Atlantic[1] with this filing introduces Infospeed Digital Subscriber Line **(DSL)** Service in Section 16 of its Tariff F.C.C. No. 1.

Infospeed DSL is an interstate data access service that uses asymmetric digital customer line (ADSL) technology, which enables data to be sent at high speeds over copper facilities. The frequency hand of a customer'scopper facility is divided by a passive band filter at the customer's premises. The customer's ability to make and receive voice calls over the copper facility is unaffected by this service. Data traffic is transported at high speeds over the higher frequency hand io a specially equipped wire center, and from there to an Asychronous Transfer Mode Cell Relay Service (ATM) switch, which serves as an aggregation point for multiple wire centers. Internet Service Providers (ISPs) and other carriers connect to lnfospeed DSL Service using ATM service offered in Section 16.6 of the tariff.

Bell Atlantic's Infospeed DSL Service will dramatically increase the speed at which consumers can communicate over the Internet. Its maximum speed of 7.1 Mbs is over 12,000% faster than a 56Kbs modem. These lightning speeds will make use of the Internet more efficient and enjoyable, and will likely result in increased use of the Internet by consumers in Bell Atlantic's serving area

The Service has the added advantage of reducing the congestion on the public switched

[1] The Bell Atlantic telephone companies ("Bell Atlantic") covered by this filing are Bell Atlantic-Delaware, Inc.; Bell Ailantic-Maryland, Inc.; Bell Atlantic-New Jersey, Inc.; Bell Atlantic-Pennsylvania, Inc.; Bell Atlantic-Virginia, Inc.; Bell Atlantic-Washington, D.C.. Inc.; and Bell Atlantic-West Virginia, Inc.

network. Most residential Internet users today connect to the Internet via the circuit-switched voice network. A study completed in 1996 by Bell Atlantic found that, during a four week period, the average length of all ISP calls was 18 minutes compared with 4 to 5 minutes voice calls. In a switched network, these longer holding time calls tie up both switching resources and interoffice trunks. This results in increased costs to Bell Atlantic and its customers as Bell Atlantic adds facilities to its voice network to help cope with the network congestion. Infospeed DSL Service will help alleviate this problem by diverting data traffic from the voice network to dedicated data connections.

Infospeed DSL Service is appropriately filed as an interstate access service. The Commission defines an "access service" to include "services and facilities provided for the origination or termination of **any** interstate or foreign telecommunication."[2] Infospeed DSL Service will be used to originate and terminate Internet traffic. The Commission consistently **has** classified enhanced services, such as Internet traffic as interexchange, and predominantly interstate, since its first order creating the ESP exemption and continuing through the present -- reiterating the conclusion most recently in its report to Congress on universal service.[3] Even where the Commission has treated ISP traffic like local traffic, it has done so based on an explicit exemption from access charges that recognize the Commission's jurisdiction over interstate service.

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[2] 47 C.F.R. § 69.2(b).

[3] See, e.g., MTS and WATS Market Structure, 97 FCC 2d 682, ¶ 78 (1983) (ESPs use "local exchange services or facilities . . . for the purpose of completing interstate calls"); id. at ¶ 83 (ESPs use "exchange service for jurisdictionally interstate communications"); Amendments of Pan 69 of the Commission's Rules, 2 FCC Rcd 4305, 4306 (1987) (ESPs "like facilities-based interexchange carriers and resellers, use the local network to provide interstate services"); In re Access Charge Reform, 11 FCC Rcd 21354.0 284 (ESPs use "incumbent LEC facilities

B. Service Description

Infospeed DSL Service transports a customer's data from the network interface device (NID) to an ATM port located within the same LATA (Infospeed DSL Connection Point). The customer installs a passive band filter, known as a splitter, on the customer's side of the NID. The splitter divides the frequency band of the customer's line. The low frequency band continues to be used for voice communications. The high frequency band is used for data traffic, which is sent and received via a customer-supplied modem. The modem connects to the customer's computer using a customer-supplied network interface card.

At the serving wire center, the customer's loop is connected to Bell Atlantic's Digital Subscriber Line Access Multiplexer (DSLAM). The DSLAM diverts voice traffic to a voice switch. The data traffic is carried over interoffice facilities to the lnfospeed DSL Connection Point. The Infospeed DSL Connection Point is accessed via Bell Atlantic's ATM network.

Three types of Infospeed DSL Service are available based on the upstream (to the Infospeed DSL Connection Point) and downstream (IO the customer) peak speed combinations chosen the customer: (I) Infospeed 640K provides maximum speeds of 640 kilobits per second (Kbps) downstream and 90 Khps upstream; **(2)** lnfospeed 1.6M provides maximum speeds of I.6 megabits per second (Mbps) downstream and 90 Kbps upstream; (3) Infospeed 7.1M provides maximum speeds of 7.1 Mbps downstream and 680 Kbps upstream.

Bell Atlantic will pre-qualify local loops to determine if they are compatible with Infospeed DSL Service. Loop length, or the presence of bridge taps, load coils, repeaters, among other things. may make a loop incompatible for use with the Service. Bell Atlantic will not

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to originate and terminate interstale **calls");** Universal Service Report, 0 146 **(ESPs** use "**local** exchange networks to originate and **terminate** interstate services").

provision Infospeed DSL Service if it determines that it is not technically feasible to do so over existing copper facilities or if Infospeed DSL Service will interfere with any other service. Competitive local exchange carriers will have access to loop pre-qualification infomiation, where available, via a graphical user interface to a Bell Atlantic database.

While Bell Atlantic anticipates that backbone providers, ISPs and other carriers will be the principal customers for the Service, the proposed tariff contains no user limitations, and Bell Atlantic will provide Infospeed DSL Service on a non-discriminatory basis on request to any customer.

C. Deployment

Bell Atlantic will deploy Infospeed DSL Service in selected wire centers based upon market demand and the suitability of facilities. The wire centers where Bell Atlantic will initially offer Infospeed DSL Service are listed in Section 16.8(G) of the tariff. [4] Bell Atlantic may add wire centers to this list periodically.

D. **Application of Rates**

Bell Atlantic is proposing a monthly flat recurring rate and a nonrecurring installation charge for Infospeed DSL Service. The recurring rate differs based on the speed combination selected.

[4] Infospeed DSL target service dates are subject to technical considerations and equipment availability

SECTION 2

COMPLIANCE WITH COMMISSION'S RULES

This filing includes documentation to comply with §§61.49(g) and (h) of the Commission's Rules.[5] which specify the material required to support new service tariff filings. This material includes 1) a study containing a projection of costs for a representative 12-month period, 2) estimates of the effect of the new service on traffic and revenues, and 3) supporting workpapers for estimates of costs, demand, and revenues. Section 3 -- Costs, Demand, Rates, and Revenues, and the attached workpapers, contain the information required to comply with §§61.49(g) and (h).

[5] 47 C.F.R. §§ 61.49(g) and (h)

SECTION 3

COSTS, DEMAND, RATES, and REVENUES

A. Cost Development

(1) Recurring Charees

Bell Atlantic performed a cost study to determin the investment requir d to deploy Infospeed-DSL Service. The unit investments were multiplied by account-specificannual cost factors to calculate the direct cost components of depreciation, cost of money, income taxes, maintenance, administration, and other taxes. The recurring costs and annual costs are shown on Workpaper 1.

(2) Nonrecurring Charees

Jask-oriented studies were used to develop the labor costs associated with the installation activities required for Infospeed DSL Service. The time required to provision the Service was multiplied by the applicable labor rate to calculate the nonrecurring costs. Certain of the nonrecurring costs will be recovered through the recurring rate. The nonrecurring cost development is shown on Workpaper 2.

(3) Ratios

Bell Atlantic developed ratios in order to compare 1) investment-related recurring direct unit costs, and unit investment and 2) direct unit costs and rates. These ratios are shown at the bottom of the respective cost workpapers.

B. Demand Forecast

The demand forecast for the Service is based on consumer surveys. The demand forecast is shown on Workpaper **3.**

C. Cross-Elastic Effects

Bell Atlantic does not foresee significant cross-elasticitieswith its other services.

D. **Rates**

Bell Atlantic first developed direct recurring and nonrecurring costs, as shown above, to determine ihe minimum level ai which prices can be set. Conditions that impact the price for the Service were evaluated to determine the proposed rates for the Service. Such conditions include the prices of compeiitive alternatives available to customers, pricing levels at which customers have indicated **a** willingness to pay, and other marketplace conditions. Nonrecurring rates are set at or slightly above direct cost. Recurring rates are set above direct costs.

E. Revenue Forecast

The projected revenues for the Service were calculated by multiplying the proposed rates by the projected demand. The projected revenues are calculated in Workpaper **3.**

SECTION 5

WORKPAPERS

Workpaper 1	Recurring Costs - End User Access Connections
Workpaper 2	Nonrecurring Costs
Workpaper 3	Demand, Annual Costs and Revenues

BELL ATLANTIC

WORKPAPER *1*

InfoSpeed-DSL
END USER ACCESS CONNECTION
RECURRING COST DEVELOPMENT

ITEM	SOURCE	Option 1 COST A	Option **2** COST B	Option 3 COST C
1. Unit Investment [1]	Company Study			
2. Depreciation	Company Study			
3. Cost *of* Money	Company Study			
4. Income Taxes	Company Study			
5. Maintenance	Company Study			
6. Administration	Company Study			
7. Other Taxes	Company Study			
8. Total Direct Cost	**Ln 2..Ln 7**			
9. Annualized portion of nonrecurring cost adjusted ***for*** the cost of money(**11.25%)**				
10. Other Expenses [2]	Company Study			
11. Total Annual Cost	**Ln 8..Ln10**			
12. Monthly Cost	Ln **11/12**			
13 Monthly Rale		539.95	$59.95	$109.95
Ratios				
13. Annual Cost/Investment	Ln 8/Ln 1			
14. Cost/Monthly Rate	**Ln 12/Ln 13**			

1 - Unit Investment include capitol required io purchase SONET equipment, Central Office Muxes and InterOffice facilities.

2 - Other Expenses relates lo the support functions performed by Network and Marketing, Research and Development. Procurement. and Information Systems.

BELL ATLANTIC WORKPAPER **2**

InfoSpeed-DSL
NONRECURRING INSTALLATION COSTS

END IS ONN CTION	TOC	LABOR RATE	COST
NETWORK			
- ATU-C Preassignment - CO Technician			
- ATU-C Inventory - AT/ELA			
- ATM Inventory/OSS PVC - Special Clerk			
- ATM Port Assignment - CO Technician			
- Router Provisioning - CO Technician			
TOTAL			
SERVICE ACTIVATION			
- Cross Connect - Frame Attendant			
- MLAC RMA - AS. ADM.			
- Engineering RMA - AS. ADM.			
- Disc. Cross Connect - Frame Attendant			
TOTAL			
SERVICE ESTBLISHMENT CHARGE			
- Gateway Router Provisioning			
- CLA Updates - Control **Sub** Syslem			
- SO Processing - Disconnect CSS			
TOTAL			
SPEED CHANGE			
Cross Connecl-Frame Atlendanl			
Disc, Cross Conned-Frame Allendant			
TOTAL			
SERVICE ORDER			
TOTAL NONRECURRING COST (Portion of Nonrecurring costs lo be recovered lhrough Recurring rale)			
NET NONRECURRING COSTS			
NONRECURRING RATE			$99.00

BELL ATLANTIC

WORKPAPER 3

InfoSpeed-DSL
ANNUAL DEMAND, COST. AND REVENUES

ITEM	Annual Demand A	Cost B	Rate C	Annual Cost D=A*B	Annual Reunues E=A*C
RECURRING					
End User Access Connection					
Option1	60,425		$39.95		$2,413,978.75
Option 2	17,025		$59.95		$1,020,648.75
Option 3	5.700		$109.95		$626.715.00
RR N					
End User Access Connection	83.150		$99.00		$8.231.850.00

Bell Atlantic
13001 Street N.W.
Suite 400W
Washington, DC 20005
(202) 336-7850
Fax: (202) 336-7866
E-Mail: joseph.j.mulieri@bellatlantic.com

Joseph J. Mulieri
Director
Government Relations - FCC

THE ATTACHED COST INFORMATION IS BEING SUBMITTED UNDER SEAL in support of Transmittal No. 1076 which is being filed on a streamlined basis on a 15 days notice under Section **204** (a)(3) of **the** Telecommunications Act.

September 1, 1998

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. **20554**

Re: Bell Atlantic Request **for** Confidential Treatment of Cost Information Filed **Under** Seal **in** Support of Transmittal **No. 1076**

Dear Ms. Salas:

Today, Bell Atlantic is filing Transmittal No. **1076,** under its F.C.C. No. 1 Access Service **Tariff,** to introduce Infospeed-Digital Subscriber Line Service. Transmittal No. 1076 is being filed on **15** days notice pursuant to the Commission's Tariff Streamlining Order.[1]

Because of the highly competitivenature of this service, Bell Atlantic has redacted the cost information associated with Transmittal No. 1076. Accordingly, Bell Atlantic **is hereby** requesting, pursuant to Sections **0.457** and **0.459** of the Commission's rules, **47** C.F.R., Section **0.457** and 0 **459,** pursuant to Exemption **4** of the Freedom of Information Act ("FOIA"), 5 U.S.C. Section **552 (b)(4),** and pursuant to the Tariff Streamlining Order and rules adopted thereunder, that such cost information be treated as confidential and be made subject to the standard Protective Order and Declaration adopted by the Commission in the Tariff Streamlining Order and published in Appendix B thereof.

[1] Tariff **Streamlining Order,** CC Docket **No. 96-187, Released January 31, 1997.**

Under Exemption 4 of the FOIA, commercial or financial infomation is held to be confidential, and thus entitled to protection, if disclosure of such information would, inter alia, be, likely to cause substantial harm to the competitive position of the person from whom the information was obtained. See National Parks and Conservation Ass'n v. Morton, 498 F.2d 765, 770 (D.C. Cir. 1974): Critical Mass Energy Proiect v. NRC, 830 f.2d 278 (D.C. Cir. 1987).

The information for which Bell Atlantic seeks confidential treatment is competitively sensitive investment and cost data, which if made available to competitors and alternate providers would provide such entities with valuable information regarding Bell Atlantic's cost structure.

There are many competitive alternatives to Bell Atlantic's proposed Infospeed Digital Subscriber Line Service (Infospeed DSL). Cable modem and direct PC providers (internet access provided directly to a PC via satellite) abound and provide high speed access services which directly compete with Bell Atlantic's proposed offering. In addition, Bell Atlantic has over 200 approved interconnection agreements with Competitive Local Exchange Carriers (CLECs) in its service area. All of these CLECs are at least potential competitors with many already offering a competitive service. Attachment A provides a list of website locations containing examples of offerings that directly compete with Bell Atlantic's proposed Infospeed DSL Service.

For the reasons cited above, Bell Atlantic respectfully requests that the Commission grant confidential treatment to the cost information submitted in support of Transmittal No. 1076, and, that such information be subject to the standard protective order provided for in the Tariff Streamlining Order, Pursuant to the non-disclosure agreement that provides for review of information granted confidential treatment by interested parties, for the specific purpose of review and comment on the instant transmittal only, Bell Atlantic will provide access and review of such information to signatories of such an agreement at the following locations:

- Joseph Mulieri
  Director – FCC Relations
  1300 1 Street. N.W. – Suite 400W
  Washington, D.C. 20005
  (202) 336-7850

- Lawrence Graham
  Senior Specialist
  2980 Fairview Park Dr.
  Falls Church, VA. 22042
  (703) 645-1287

Should you have any questions regarding this material please do not hesitate to contact me.

Sincerely,

Joseph Mulieri

Attachment

Cable Modem **Providers:**

- @Home - www.home.net
- Comcast@Home - www.comcastonline.com
- Cablevision@Home - www.optimurnonline.com
- Cox@Home - www.cox.com/highspeed
- Cnet (Industry News) - www.cnet.com/content/features/techno/cablemodems
- Cable Modem Index - rpcp.mit.edu/~gingold/cable/

Satellite **Providers:**

- Viewmax - www.viewmax.com
- DirectPC - www.direcipc.com

Competitive Local Exchange Carriers:

- Winstar - www.winstar.com
- RCN/Erols - www.rcn.com
- Covad - www.covad.com
- Intermedia - www.inlennedia.com

FCC Has Substantially Granted BellSouth Pricing Flexibility for ADSL Telecommunications Services

- BellSouth has FCC Phase I Pricing Flexibility for ADSL Service for **80.5%** of its in-region MSA population. **With Phase 1 relief,** BellSouth may file ADSL tariffs offering volume and term discounts on one day's notice with no cost support and file ADSL contract tariffs on one day's notice.

- BellSouth has FCC Phase II Pricing Flexibility for ADSL Service for **64.2%** of its in-region MSA population. **With Phase II relief,** BellSouth's ADSL service is removed completely from FCC price cap regulation and Part 69 rate structure requirements, and BellSouth may amend its ADSL Tariff on one day's notice with no cost support.

- If the FCC grants BellSouth's pending pricing flexibility application (filed in August 2002). then BellSouth would have Phase **1** pricing flexibility for **82.4% of the MSA population in its service area** and Phase II pricing flexibility for **67.7% of the MSA population in its service area.**

- BellSouth's total in-region MSA population is **37,009,207.**

MSAs Where BellSouth Has Phase I / II Pricing Flexibility[1]	**MSA Population[2]**	**Phase I**	**Phase II**
Asheville, NC	215,180	X	
Atlanta, GA	3,857,097	X	X
Augusta, GA/SC	460,826	X	
Baton Rouge, LA	578,946	X	X
Biloxi-Gulfport, MS	353,205	X	X
Birmingham, AL	915,077	X	
Burlington, NC	121,100	X*	
Charlotte-Gastonia, NC	1,417,217	X	X
Chattanooga, TN-GA	452,034	X	X
Clarksville-Hopkinsville, TN/KY	201,352	X*	
Columbia, SC	516,251	X	X*
Columbus, GA/AL	271,417	X	
Daytona Beach, FL	474,711	X	X
Evansville IN/KY	291,181	X*	X*
Gainesville, FL	198,484	X	X
Greensboro-Winston-Salem-High Point, NC	1,179,384	X	X
Greenville-Spartanburg, SC	929,565	X	
Huntsville, AL	343,418	X	
Jackson, MS	432,647	X	X

Jacksonville, FL	1,056,332	X	X
Knoxville, TN	672,087	X	X
Lafayette, LA	377,238	X	X*
Lake Charles, LA	180,607	X	X
Louisville, KY	1,005,849	X	X
Melbourne-Titusville-Palm Bay, FL	470,365	X	X
Memphis, TN	1,105,058	X	X
Miami-Fort Lauderdale-Hollywood, FL	3,711,102	X	X
M[illegible]	[illegible]	X	
		X	X
Montgomery, AL	322,441	X	X
Nashville-Davidson, TN	1,171,755	X	X
New Orleans, LA	1,305,479	X	
Orlando, FL	1,535,004	X	X
Owensboro, KY	91,179	X*	X*
Panama City, FL	147,958	X	
Pensacola, FL	403,384	X	X
Raleigh-Durham, NC	1,105,535	X	X
Savannah, GA	288,426	X	X
Shreveport, LA	377,673	X	X
West Palm Beach-Boca Raton, FL	1,049,420	X	X
Wilmington, NC	222,109	X	X

* Indicates that BellSouth has a pending petition for Phase I and Phase II pricing flexibility for ADSI service. ***See*** *BellSouth Petition for* ***Pricing*** *Flexibility for* ***Special Access*** *and Dedicated* ***Transport*** *Services,* Public Notice, **DA** 02-1925, WCB/Pricing (rel. Aug. 6, 2002).

[1] *In the Matter of BellSouth Petition for* ***Pricing*** *Flexibility for* ***Special Access*** *and* ***Dedicated Transporr*** *Services,* Memorandum Opinion and Order, *15 FCC Rcd. 245588 (CCB 2000) and* Errata, *CCB/CPD 00-20* (rel. Jan. *3,* 2001), ***recon. denied,*** Memorandum Opinion and Order, 16 FCC Rcd. 18174 (2001).

[2] Population data from United States Census Bureau, Population Division, *found* ***at,*** http://eire.census.gov/popest/archives/1990.php?PHPSESSID=8b645d203a5c2ad31a8b450d28f55056 Population estimates are **as** of July 1, 1999.

BULK DSL IS A TELECOMMUNICATIONS SERVICE UNDER THE ACT, EVEN WHEN USED AS AN INPUT FOR INFORMATION SERVICE

- The FCC's 1998 *Advanced Services MO&O* held that advanced services offered by incumbent LECs, including DSL:

  "…are telecommunications services… Moreover, to the extent that such a service is offered for a fee directly to the public, it is a 'telecommunications service.'"

  The *Advanced Services MO&O* also held that:

  "Incumbent LECs have proposed, and are currently offering, a variety of services in which they use xDSL technology and packet switching to provide members of the public with a transparent, unenhanced, transmission path. Neither the petitioners, nor any commenter, disagree with our conclusion that a carrier offering such a service is offering a 'telecommunications service'. ..BOCs offering information services to end users of their advanced service offerings, such as xDSL, are under a continuing obligation to offer competing ISPs nondiscriminatory access to the telecommunications services utilized by the BOC information services."

  Deployment of Wireline Services Offering Advanced Telecommunications Capability, Memorandum Opinion and Order, 13 FCC Rcd. 24011, ¶¶ 35-37 (1998).

- 2001 *CPE/Enhanced Services Unbundling Order* held DSL services are subject to Title II of the Act:

  "The internet service providers require ADSL service to offer competitive internet access service. . . .In addition, we would view any such discrimination in pricing, terms, or conditions that favor one competitive enhanced service provider over another or the camer, itself, to be an unreasonable practice under section 201(b) of the Act."

  Policy and Rules Concerning the Interstate, Interexchange Marketplace, Report and Order, 16 FCC Rcd 7418, ¶ 46 (2001).

- In the 1999 *Advanced Services Second R&O*, FCC found that:

  ***"bulk** DSL services sold to Internet Service Providers. . . are lelecommunications services*, and as such, incumbent LECs must continue to comply with basic common camer obligations with respect to these services. These obligations include: providing such DSL services upon reasonable request; on just, reasonable, and nondiscriminatory terms; and in accordance with all applicable tariffing requirements.

  Deployment of Wireline Services Offering Advanced Telecommunications Capability, Second Report and Order, 14 FCC Rcd. 19237, ¶ 21 (1999)

BOC BASIC SERVICES ARE REGULATED UNDER TITLE II OF THE ACT

- **"We do not accept Bell Atlantic's argument that basic services witb interstate enhanced services are not subject to interstate tariffing under Title II of the Act. Bell Atlantic seems to reason that because enhanced services are not common carrier services under Title 11, the basic services that underlie enhanced services are somehow not subject to Title IJ. We do not agree.** Enhanced services by definition are services 'offered over common camer transmission facilities.' Since the *Computer II* regime, we have consistently held that the addition of the specified types of enhancements (as defined in our rules) to a basic service neither changes the nature of the underlying basic service when offered by a common carrier not alters the carrier's tariffing obligations, whether federal or state, with respect to that service. *Cornpuler III* does not change this principle."

  Filing und Review of Open Network Architecture Plans, Memorandum Opinion and Order, 4 FCC Rcd 1, ¶ 274 (1988) (emphasis added)

- "The Commission previously concluded that the 1996 **Act's** definitions of telecommunications service and Information service essentially correspond to the pre-existing categories of basic and enhanced services, in that they were intended to refer to separate categories of services."

  Federal-Slate Joint Board on Universal Service, Report to Congress, 13 FCC Rcd. 11501, 11531, ¶ 33 (1998)

- Under *Cornpuler III*, "[w]e retained, however, the two fundamental regulatory categories for telecommunications services established under *Computer 11:* **basic services, which are subject to common carrier regulation under Title II of the Act,** and enhanced services, which are not subject to such regulation."

  Filing and Review of Open Network Architecture Plans, Memorandum Opinion and Order, 4 FCC Rcd 1, ¶ 16 (1988)

- "We believe, therefore, that the second prong of the *NARUC I*, test, i.e., the Commission's determination of the need to impose an obligation to serve the public indifferently is critical to our discussion here. 525 F. 2d at 642-43. In this respect, we believe that our approach in this *[Computer II]* proceeding draws on, and can be reconciled with the D.C. Circuit's *NARUC I* decision."

  Second Computer Inquiry, Memorandum Opinion and Order, 84 FCC 2d. 50, ¶ 118 (1980)

- *Title I Jurisdiction Untested: GTE Service Corp. v. FCC,* 474 F.2d 724 (2nd Cir. 1973) held that FCC had Title I jurisdiction in *Computer1* to regulate a common camer's entry into the unregulated ***field*** of *computer* processing, since camer's unregulated activities might substantially effect the carrier's regulated activities (i.e., discrimination and cross-subsidy). *Id.*, 731. In *CCIA v. FCC,* 693 F.3d 198 (D.C. Cir. 1982) reached substantially the same conclusion regarding *Computer 11.* While FCC may have some Title I authority over information services, it is an open issue whether FCC has authority to impose Title 11-type regulation using Title I jurisdiction. Uncertainty is the result for ISPs and carriers.

NARUC I ALSO COMPELS REGULATION AS TITLE II COMMON CARRIERS

- "The common law definition of common carrier is sufficiently definite as not to admit of agency discretion in the classification of operating communications entities."

  NARUC v. FCC, 525 F.2d 630,644 (D.C. Cir. 1976) *(NARUCI)*.

- Not only arc incumbent LEC services offered on a common carrier basis (i.e., first prong of *NARUC I*) but, under *NARUC I*, "the public interest requires common carrier operation" of such services because the provider "has sufficient **market** power to warrant regulatory treatment as a common carrier," measured by the existence or lack thereof of "sufficient alternative facilities."

  Virgin Islands Tel. Corp. v. FCC, 198 F.3d at 924-25 (citing *Cable & Wireless, PLC*, Cable Landing License, 12 FCC Rcd 8516, ¶¶ 14-15 (1997)).

- ISPs lack sufficient alternative facilities.

  FCC's July 2002 Section 706 Status Report shows that incumbent **LECs** provide **97%** of **DSL** services.

  "High-speed Services for Internet Access: Status as of December 31, 2001," Industry Analysis and Technology Division, FCC Wireline Competition Bureau, at 3 (July 2002).

  SBC "estimated **SBC's** market share **by** multiplying the total **ADSL** market **share** in **the** region by ***95*** percent."

  SBC Petition for Expedited Ruling, Crandall/Sidak Declaration ¶ 55 (incorporated in CC Dkt. No. 01-337).

- Consumers lack sufficient alternative facilities.

  Even with two providers, duopoly is not sufficient. Also, consumers cannot effectively switch from DSL *to* cable: "lock in" contracts, CPE purchase specific to DSL, and inherent delay and hassles to go from DSL to cable. Consumers face far greater transactions costs than switching from one long-distance provider to another.

  In 40% of zip codes in US, there is no competition at all (i.e., one or no providers) for high-speed transmission over DSL or cable.

  See Table *10* (Expanded version), *found ut*, http://www.fcc.aov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/Tbl_10_Expanded_Dec_2001.xls

- ILECs continue to engage in discriminatory practices harmful to ISP market

  SBC-Ameritech demonstrated ability to engage in **DSL** "price squeeze" (see EarthLink letter of September 9, 2002 in 01-337).

  Verizon **DSL PARTS** discriminatory tariff – Verizon discriminates against ISPs by charging ISPs well above costs for the same DSL service as PARTS (see EarthLink letter of October 2, 2002 in DA-2140 (attached)).

ILEC DEREGULATION WOULD SERVE NO LEGITIMATE PURPOSE OF THE ACT

- ILECs already have a path for deregulation

  Section 10 of the Act requires specific showing

  ILEC-affiliated ISP services are not regulated, and never have been

  Special Access Pricing Flexibility -- BellSouth has already obtained substantial deregulation of DSL telecommunications service prices (see attached)

- ILEC-to-Cable regulatory panty is not a goal of the Communications Act

  Deregulation of ILECs disserves goals of the Communications Act by significantly harming ISP competition and diminishing consumer choice.

  47 U.S.C. §§ 230(b), 157(a).

  In 1999, FCC explained that Section 706 goals furthered when incumbent LECs offer DSL to ISPs "at the lowest possible price" so that *"consumers ultimately benefit through lower prices and greater and more expeditious access io innovative, diverse broadband applications by multiple providers of advanced services."*

  Deployment of Wireline Services Offering Advanced Telecommunications Capability, Second Report and Order, 14 FCC Rcd. 19237, ¶ 20 (1999) (emphasis added).

ILEC DEREGULATION WILL RAISE SUBSTANTIAL SECTION 214 DISCONTINUANCE ISSUES

- Discontinuation of ILEC **Bulk** DSL Tariffs **will** remove the common carriage service for ISPs and hundreds of thousands of high-speed end users
- ILECs offer no proposals/solutions for rates, terms, conditions of DSL transmission service that would apply for the underlying DSL services
  - Nothing commercially reasonable about ILECs actions
  - No promises of just, reasonable, and nondiscriminatory continuation of DSL services
- @Home situation in the making
- Creates significant uncertainty
- What's the **plan** for transition of DSL services?